

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1256-01
Bill No.: HB 534
Subject: Taxation and Revenue - Sales and Use; St. Louis County
Type: Original
Date: March 8, 2011

Bill Summary: This proposal changes the laws regarding the distribution of the St. Louis County sales tax.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **State Tax Commission** assume that there is no fiscal impact from this proposal.

Officials from the **County of St. Louis** estimate a loss to pool sharing municipalities in the County that would be approximately \$5 million annually. The loss to St. Louis County government would be \$6 -\$7 million annually.

Officials from the **Department of Revenue (DOR)** state this proposal will require programming changes to the department's processing systems. The IT portion of this proposal is estimated with a level of effort valued at \$17,808 (672 FTE hours X\$26.50 per hour).

Oversight assumes OA-ITSD (DOR) is provided with core funding to handle a certain amount of activity each year. Oversight assumes OA-ITSD (DOR) could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD (DOR) could request funding through the appropriation process.

Officials from the **City of Bellefontaine Neighbors** state this proposal would have a negative impact on the City as a "B" sales tax city and would eliminate the sharing of revenue from the "A" to the "B" municipalities. According to the County Municipal League, this proposal would reduce the "B" pool by \$12.8 million and the City would lose its proportionate share of that amount.

Officials from the **City of Maryland Heights** state if this proposal is passed, it would increase sales tax revenue to the City by approximately \$3,020,000 per year.

Oversight assumes this proposal would have no fiscal impact to the state and no net fiscal impact to local governments. Oversight assumes this proposal would allow a city to change the method used for the distribution of countywide sales taxes. Oversight assumes cities with a substantial retail base would choose to become "A" cities and retain the sales tax revenues collected from businesses within their boundaries. Current "B" cities would have to determine whether their retail sales tax collections are greater than their share of revenue based on the pool allocated on a per capita basis. Oversight assumes the amount of money to be distributed to the remaining "B" cities and the County of St. Louis will be reduced.

ASSUMPTION (continued)

Oversight has no way to determine if any individual city would change from Group B to Group A or if a city will transfer back to its original group; therefore, for the purposes of this fiscal note, the fiscal impact will be shown as zero.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

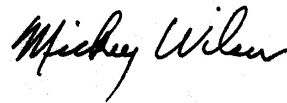
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
State Tax Commission
County of St. Louis
City of Bellafontaine Neighbors
City of Maryland Heights

NOT RESPONDING

City of Florissant
City of Ladue
City of Frontenac
City of Clayton
City of Hazelwood
City of Fenton

A handwritten signature in black ink that reads "Mickey Wilson". The signature is fluid and cursive, with the first name "Mickey" and last name "Wilson" clearly distinguishable.

Mickey Wilson, CPA
Director
March 8, 2011